

October 16, 2011

Marlene Dortch, Esq., Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Re: Universal Service Reform (Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42; Lifeline and Link-Up, WC Docket No. 03-109) (Ex Parte)

Dear Ms. Dortch:

This ex parte letter reports on an October 14 phone call with Commission staff, including: Zac Katz, Chief Counsel and Senior Legal Advisor to the Chairman; Sharron Gillett, Chief of the Wireless Competition Bureau; Michael Steffen, FCC Special Counsel, and Patrick Halley, Policy Advisor in the Wireless Competition Bureau. Also participating on the call were Joseph Miller, Deputy Director and Senior Policy Director of the Media and Technology Institute at the Joint Center for Political and Economic Studies; Joycelyn James, Cathy Hughes Fellow, and David Honig, President and Executive Director, at Minority Media and Telecommunications Council; and myself.

During this call, we discussed Universal Service Fund (USF) reform, both in reference to current reform proposals around Intercarrier Compensation and the Mobility Fund, and proposals to come around Lifeline and Link-Up. I first reviewed One Economy's support of the recently launched Connect to Compete initiative, of which One Economy is acting as the lead intermediary; both David Honig and I commended the Commission for their work in launching this initiative. After that, I discussed how this initiative dovetailed into One Economy's position that we need to continue this emphasis on adoption, as opposed to deployment, and that we need to attack adoption in a comprehensive fashion in terms of promoting affordable pricing on connectivity and devices, digital literacy, and relevancy.

After that introduction, Zac Katz provided an overview of the elements of the current proposal, in terms of high-cost fund reform and the provision of funds for mobile delivery in remote areas. Mr. Katz also remarked on the inclusion of elements that favor adoption on the high-cost fund, inferring that, though this is a relatively small element at the moment, he hoped that it would grow in importance. He also remarked that the Commission would quickly shift toward Lifeline Link-up and a focus on adoption after

getting beyond the high-cost fund review.

Mr. Honig seconded the need to focus on adoption and public-private partnerships, also discussing the traditionally low rates of Lifeline participation. He spoke up about the need to increase participation and offered a voucher solution to increase choice, participation, and utility for devices and other elements of adoption. Mr. Honig also mentioned the need for payphones to be included in Lifeline reform, since they are the only source of voice call for the very poor.

Respectfully submitted,

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Cc: Zac Katz
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